

not, thereby resulting in unreasonable discrimination. Ameritech's claim is invalid as AT&T is legally incapable of discriminating unreasonably against customers which are not its own. Moreover, any claim that the space and power policy confers an advantage on AT&T's end-to-end customers over the LEC's special access customers is foreclosed by the Commission's finding that AT&T lacks market power in all domestic interexchange services, including private line and resold special access service.

64. In fact, AT&T's SCPA policy eliminated any difference in the treatment of LECs and CAPs terminating access service out of AT&T's POPs, and ensured that customers would not be discouraged from using particular access providers based on the existence of the space and power charge.

65. Ameritech has not shown that AT&T's SCPA's policy violates Section 202 of the Act, and its claim should be denied.

#### Fifth Affirmative Defense

66. AT&T repeats and reavers paragraphs 1-65 as if fully set forth herein.

66. For some time, AT&T has recognized that billing for space and power on a per circuit basis, with standard recurring and non-recurring charges, could offer advantages over the SCPA's space license procedure, including more efficient use of the available floor space in AT&T's POPs. However, AT&T did not have (and currently

still does not have) the proper systems to permit such per circuit billing. For this reason, over the last few months, AT&T has assessed the feasibility of converting to a per circuit billing arrangement, which would allow access vendors to use the same equipment to terminate total, baseline, and coordinated access service. Within recent weeks, AT&T has decided to undertake the additional development required to implement a per circuit billing method.

67. As more fully shown in Attachment C to this Answer, since Ameritech filed its complaints before the ICC and PUCO, AT&T has engaged in negotiations with Ameritech with the hope of resolving all outstanding disputes regarding AT&T's SCPA policy. In other words, although AT&T believes that its SCPA policy was just, reasonable and fully lawful, AT&T has now determined to modify that policy by eliminating the restrictions that Ameritech's instant Complaint addresses.

68. Although, as shown above at ¶¶ 49-53 (First Affirmative Defense), AT&T asserts that the Commission does not have subject matter jurisdiction over the matters raised in the Complaint, and although AT&T is not waiving that jurisdictional claim, AT&T is voluntarily modifying its SCPA policy for all special access circuits, interstate as well as intrastate.

69. Under its modified policy, AT&T will allow access providers (including, but not limited to, LECs such

as Ameritech) to terminate total, baseline, and coordinated access service circuits on shared equipment in AT&T's POPS (whether or not those circuits are classified as interstate or intrastate). This proposal will eliminate the "split equipment" feature of AT&T's SCPA policy, which is the gravamen of the relief Ameritech seeks in its Complaint. Moreover, AT&T agrees that Ameritech and other LECs, at their option, may use collocation or cable connections in condominium buildings to link AT&T and LEC facilities.

70. AT&T will also grant access vendors, including but not limited to Ameritech, the option to terminate any existing SCPA agreements (without penalty) or maintain such agreements until their terms expire. For SCPA agreements that are terminated in the process of installation, AT&T will determine the extent of completion of the particular installation. The unused portion of the contract non-recurring charges will be refunded in the form of credits to future purchases that can be used to pay monthly recurring or future non-recurring charges.<sup>2</sup>

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<sup>2</sup> For SCPA arrangements that have already been completed, AT&T will not refund the non-recurring charges, since AT&T has already incurred these costs. However, the equipment installed under a SCPA arrangement can be used for the provisioning of any type of access service, provided Ameritech (or any other access vendor that has entered into such an arrangement) elects to terminate the SCPA contract.

71. Because a mechanized process is not yet in place for assessing charges to vendors such as Ameritech on a transaction (i.e., per circuit) basis, as described in the Polete Affidavit AT&T will establish an interim billing procedure until a mechanized process is developed. Under this procedure, AT&T will waive non-recurring charges for Baseline and Coordinated circuits terminated on equipment installed prior to March 1995. Once the mechanized billing system is completed, the billing for Baseline and Coordinated circuits will be converted to transaction-based non-recurring and monthly per port charges. AT&T has reached agreement with Ameritech regarding certain of its proposed charges under this modified policy.

72. Under AT&T's modified policy, AT&T proposes to assess such charges upon Ameritech and other access vendors (including LECs and CAPs) under standard contracts. As shown above in ¶¶ 54-57 (Second Affirmative Defense), Section 211 of the Communication Act expressly permits such intercarrier arrangements. However, even in the event the Commission were to find that AT&T is required to tariff its rates for housing the equipment used with Ameritech's special access circuits, until such tariffs are filed any consideration of the reasonableness of those rates would be premature and nonjusticiable in this formal complaint proceeding.

73. AT&T's foregoing modifications to its SCPA policy effectively address all of the substantive issues Ameritech has raised in its Complaint, and thus effectively moots any need for the Commission to decide this case.

Conclusion

WHEREFORE, having fully answered, AT&T respectfully requests that Ameritech's Complaint be denied or dismissed with prejudice in its entirety, in accordance with the proposed finding of fact, conclusions of law and legal analysis annexed hereto as Attachment F.

Respectfully submitted,

By /s/ Peter H. Jacoby  
Mark C. Rosenblum  
Peter H. Jacoby  
James W. Grudus

Its Attorneys

295 North Maple Avenue  
Room 3250J1  
Basking Ridge, NJ 07920  
908-221-4243 (voice)  
908-953-8360 (fax)

April 22, 1998

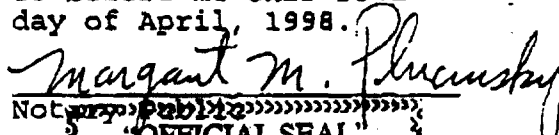
VERIFICATION

STATE OF ILLINOIS            )  
                                   )       ss.:  
 COUNTY OF COOK            )

Robert E. Polete, Jr., being first duly sworn, deposes and says that he is a District Manager, Access Vendor Management, of AT&T Corp., that he has read the foregoing Verified Answer and Affirmative Defenses, that he has knowledge of the matters that are set forth therein as a result of his employment at AT&T Corp., and that they are true and correct, except as to those matters alleged therein upon information and belief, and as to those matters he believes them to be true.

  
 Robert E. Polete, Jr.

Sworn to and subscribed  
 to before me this 22nd  
 day of April, 1998.

  
 Notary Public  
 OFFICIAL SEAL  
 Margaret M. Plucinsky  
 Notary Public, State of Illinois  
 My Commission Expires 03/11/99

# **ATTACHMENT A**

Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

In the Matter of	)	
	)	
Illinois Bell Telephone Company,	)	
Indiana Bell Telephone Company,	)	
Michigan Bell Telephone Company,	)	
The Ohio Bell Telephone Company,	)	
Wisconsin Bell, Inc.	)	
	)	
Complainants,	)	Docket No. E-98-35
	)	
v.	)	
	)	
AT&T Corp.	)	
	)	
Defendants.	)	
	)	

AFFIDAVIT OF ROBERT E. POLETE, JR.

STATE OF ILLINOIS	)	
	:	ss.:
COOK COUNTY	)	

ROBERT E. POLETE, JR., being duly sworn, deposes  
and says:

1. I am a District Manager, Access Vendor Management,  
at AT&T and have held this position since February 15,  
1998.<sup>1</sup> Prior to my current assignment I was the District

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<sup>1</sup> My career with AT&T began in 1982 when I worked as an Operations Supervisor of Private Line Provisioning. From 1983-1988, I was a Staff Manager functioning in various capacities: Access Management, Midwestern Region Custom Service Engineering, National Systems Support Custom Service Engineering, and Market Development. From 1988-1989, I was an Operations Manager in the Remote Work Center and Facility Work Group. In 1989, I became a District Staff Manager for Network Operations. From 1991-1995, I was a District

(footnote continued on following page)



Manager, Customer Connectivity Planning. In this capacity, I managed the planning for customer connectivity, access planning, expense management and local infrastructure planning in Illinois, Indiana, Michigan, Ohio and Wisconsin. I make this affidavit to describe AT&T's policy on Shared Customer Provided Access ("SCPA"), explain why this policy arose, and why it was reasonable and fair to all carriers. The accompanying affidavit of Ms. Deborah Chandler explains the procedures used for handling SCPA requests and refutes Ameritech's allegations that AT&T's processing of Ameritech's requests for SCPA has not adhered to established AT&T procedures.

2. AT&T's SCPA policy established the terms, conditions and procedures for handling requests for space in an AT&T Point of Presence ("POP") to house terminating equipment used in connection with shared customer-provided access arrangements. The SCPA policy governed the availability, allocation and use of space (including both physical plant, space conditioning and electrical power) in AT&T-owned or leased buildings. The terms of these real

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(footnote continued from previous page)

1995, I became District Manager, Customer Connectivity Planning

I hold three degrees from the University of Missouri-Columbia: a Bachelor of Science in Electrical Engineering (1980), a Master of Science in Industrial Engineering (1982) and a Master of Business Administration (1982).

estate transactions have been specified in a "Building Space License Agreement" executed between AT&T and the requesting party.

3. The most common arrangements for customer-provided access fall under one of three arrangements: baseline access, coordinated access, or total service. The following is a brief description of the key features of each of these service configurations.

(a) Baseline access. Under baseline access, the end user customer elects to contract directly with an access provider to obtain special access service. This access provider may be an incumbent local exchange company ("LEC") such as Ameritech or a competitive access provider ("CAP"). The end user customer is the customer of record for the access circuit and is charged directly for that service by the access provider. The space in the AT&T POP that houses a baseline access arrangement is used by the access provider to terminate a service that it provides to its own access customer.

(b) Coordinated access. Under coordinated access, the same provider-customer relationship exists between the access provider and the end user customer as exists under baseline access. The only difference between the two arrangements is that, under coordinated access, AT&T acts as an agent for the end user customer in obtaining special access service from the access provider and is paid a fee for this coordination function. The space in the AT&T POP

that houses a coordinated access arrangement is used by the access provider to terminate a service that it provides to its own access customer, just as with baseline access.

(c) Total service. Under total service, AT&T either itself provides or purchases from an access provider the access circuit that terminates in the POP. AT&T provides that circuit, along with other network functionality, to the end user customer, with full responsibility for the end user's entire retail service end-to-end. With total service, there is no relationship between the LEC or CAP and the end user. AT&T is the customer for the special access circuit and the space in the AT&T POP that houses that circuit is used by AT&T for its own service requirements. Total service is the only one of the access arrangements under which AT&T takes full responsibility for the entire end-to-end assembly.

4. Historically, space for the total service access arrangements that AT&T obtains from Ameritech has been provided in a part of the AT&T POP referred to as the LEC Equipment Space. In compliance with Ameritech's access tariffs (as with other LECs' access tariffs), use of the LEC Equipment Space, including all necessary space conditioning and electrical power to support that space, is supplied to Ameritech at no charge.

5. Total service, baseline and coordinated access arrangements are not functionally equivalent. In a total service arrangement, AT&T is responsible for installation,

maintenance, provisioning, billing, account maintenance, and performance monitoring and standards for the end user service, of which the special access supplied to AT&T by the access provider is a component part. AT&T is held accountable by the end user customer for all aspects of the service and provides its specified service parameters to the customer as an assurance of quality. In contrast, under a baseline or coordinated access service arrangement, the specified service warranty for that access is provided to the customer by the access provider. Thus, a total service arrangement is, both functionally and operationally and from a customer perception perspective, distinct from baseline or coordinated access arrangements.

6. The foregoing differences between baseline and coordinated access and total service have determined AT&T's SCPA policy. In the case of a total service arrangement, AT&T is the customer for the access component and the private line service that uses the access is sold by AT&T to an end user customer. The LEC Equipment Space that Ameritech currently uses provides a location for the termination of the access facilities ordered by AT&T to provide service to its customers, and the space is provided by AT&T to Ameritech at no charge. By contrast, in the case of baseline or coordinated access arrangements, the special access circuit terminating in AT&T's POP is provided by Ameritech directly to the end user customer. Consequently, Ameritech, as the service provider to its end user customer,

is properly obligated to make arrangements to obtain the space and power in AT&T's POP needed to house the equipment used to provide service by Ameritech to its customer, and to pay for that space and power.

7. AT&T has maintained the foregoing arrangements for providing space and power for special access circuits since the Bell System divestiture. When CAPs appeared in the marketplace in the late 1980's, their equipment was made subject to the SCPA policy and placed in SCPA space in AT&T's offices. Within the past few years, AT&T made a decision to enforce its SCPA policy uniformly among all carriers as a result of a significant increase in LEC requests to use LEC Equipment Space to house circuits being sold to the LECs' baseline and coordinated access customers.

8. Specifically, prior to 1994, because of the LECs' relatively small volumes of baseline and coordinated access, and as a matter of administrative convenience, AT&T had permitted those carriers (including Ameritech) to use LEC Equipment Space at no charge to house their baseline and coordinated access arrangements. However, upon receipt of LEC demand forecasts for 1995, AT&T became aware of a significant increase in the LECs' requests for space to accommodate their equipment that far exceeded AT&T's total service requirement. That equipment was being planned by the LECs to support baseline and coordinated access requirements in addition to AT&T's total service requirements. After evaluating the consequences of

permitting the LECs to increase and expand their use of LEC Equipment Space for this purpose, AT&T came to the conclusion that it should begin uniformly enforcing its SCPA policy with all parties requesting space arrangements (including LECs).

9. AT&T concluded that it was necessary to strictly enforce its SCPA policy for a number of reasons. First, AT&T could no longer ignore the mounting expense associated with providing LECs such as Ameritech with space to accommodate the needs of their baseline and coordinated access customers. AT&T recognized that the financial exposure created by this situation had to be addressed promptly and that the established methods and procedures for SCPA would help to redress this problem. Second, it was increasingly apparent that past enforcement practices had afforded LECs more favorable treatment vis-à-vis other access providers for their baseline and coordinated access customers. AT&T recognized that this advantage -- an advantage which it had every reason to expect would continue and grow with the increasing volumes of baseline and coordinated access -- was unwarranted. As a consequence, AT&T decided to take steps to achieve uniform enforcement of its policy for space arrangements.

10. Under AT&T's SCPA policy, Ameritech could continue to use equipment installed in the LEC Equipment Space prior to March, 1995 to serve the dedicated access service needs of its baseline and coordinated access customers, as well as

to provide AT&T with dedicated access under a total service access arrangement. AT&T's enforcement of its SCPA policy "grandfathered" this use of the LEC Equipment Space.<sup>2</sup> To the extent that Ameritech's requirements for baseline and coordinated access services exceeded what can be accommodated under these grandfathered arrangements, however, Ameritech was required under the policy to enter into an SCPA agreement with AT&T.<sup>3</sup>

11. The grandfathering provision of AT&T's SCPA policy has minimized potential disruption to existing Ameritech access circuit customers. Moreover, Ameritech has been able to readily use grandfathered equipment to serve the needs of new baseline and coordinated access customers. As long as the equipment was installed in the LEC Equipment Space prior to March, 1995, Ameritech is free to use that equipment to provide access service to any of its baseline or coordinated access customers. For example, Ameritech could use

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<sup>2</sup> AT&T's SCPA policy grandfathered equipment installed prior to March, 1995 for the purpose of providing either dedicated or switched access. Ameritech has been able to reuse equipment originally used to supply either type of access, subject to the limits of the SCPA policy.

<sup>3</sup> Ameritech has had since October, 1994 to plan for and implement SCPA arrangements at AT&T POPs. If Ameritech now claims that it has not been able to provide service to its customers in the time frames Ameritech desires, it is solely because Ameritech has failed to plan effectively to meet its customers' needs under SCPA. In other words, the fault is with Ameritech's planning, and not AT&T's SCPA policy.

grandfathered DS3 capacity in a given POP to serve a new baseline or coordinated service customer requesting DS3 access capacity in that POP. Similarly, Ameritech could use grandfathered DS3 capacity, with grandfathered equipment in place for multiplexing ("muxing") it to a DS1 level, to accommodate a new baseline or coordinated access customer's request for DS1 service.<sup>4</sup> As a matter of normal customer churn, capacity will be freed up on grandfathered equipment which Ameritech could reuse to meet the needs of new customers.

12. AT&T has applied its SCPA policy uniformly to all access providers seeking this type of space arrangement in AT&T's POPs. Uniform enforcement of the SCPA policy ensures that all LECs and CAPs will have the space, power, security and environmental controls necessary to house their terminating equipment outside of the LEC Equipment Space and that every LEC and CAP will pay for the space and power that they use.

13. Ameritech's claims that AT&T's SCPA policy has mandated inefficient bifurcation and duplication of network facilities is a gross mischaracterization. The limitations associated with AT&T's SCPA policy have not forced Ameritech to squander resources on duplicative network facilities, as

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<sup>4</sup> AT&T's tariff requires that access providers hand off their customers' traffic at the same bit rate as the rate of the service provided by AT&T to the customer.



Ameritech implies. As shown above, there has been much latitude under the grandfathering provisions to use capacity that Ameritech has in place in the LEC Equipment Space for baseline and coordinated access customers. AT&T's SCPA policy in no way precludes Ameritech from optimizing the assets under its control. Demand shifts are a common occurrence in the telecommunications industry. When Ameritech loses a customer to a competitor, Ameritech's equipment previously used to serve that customer that is no longer needed at the AT&T POP could be removed and reused at other locations.

14. Moreover, while AT&T provided Ameritech with expected changes in demand to help in planning capacity requirements, AT&T has not claimed to reserve capacity in the POP for total service purposes unless it places orders on Ameritech to do so. Access service that has been migrated by AT&T from Ameritech to other access providers has been moved only after AT&T's five year contractual term commitment with Ameritech was met, or AT&T paid Ameritech the termination liabilities that apply to the unfulfilled portion of the service contract. Ameritech's cost to deploy the equipment has presumably thus been recovered in non-recurring, recurring and termination liabilities paid by AT&T during the life of the service.

15. AT&T's SCPA policy also should in no way have interfered with Ameritech's ability to forecast its network requirements accurately. Nothing in AT&T's policy has

precluded Ameritech from using accurate forecasts to determine how best to utilize any capacity available in the LEC Equipment Space, as well as to project where and to what extent it will need SCPA arrangements. An experienced access provider such as Ameritech clearly should be capable of ensuring the availability of capacity needed to serve its customers as a matter of standard industry practice.

16. Thus, the SCPA policy set certain limits on Ameritech's use of LEC Equipment Space, to redress the inequity created by Ameritech's use of space at no charge and eliminate the advantage it has over other carriers, but it did not impair Ameritech's ability to manage its network effectively and efficiently.

17. AT&T's methods and procedures for processing SCPA requests have also been reasonable and unquestionably compatible with the good business practices for network forecasting and facility planning that telecommunications carriers generally follow. Obtaining and conditioning space in an interexchange carrier ("IXC") POP can necessitate physical work by technical personnel and may require a 90 to 120 day "lead time." The need for these steps and this lead time was reflected in the intervals specified in AT&T's SCPA procedures. Access providers must account for these contingencies in the space forecasts that they supply to IXCs such as AT&T and in the due dates that they give to customers. If an access provider such as Ameritech wants to ensure that it has the right amount of space and facilities

available to meet end user customer needs, it must anticipate and plan for those needs with realistic and timely network forecasting and design.

18. AT&T's establishment of a different policy for arrangements in "condominium" buildings was driven by a number of factors. First, unlike those situations where AT&T and Ameritech are not collocated, Ameritech already had space in the building where it proposes to terminate its customer's access circuit. As a consequence, any requirement to obtain and condition additional space would have been needlessly duplicative.

19. In addition, space in condominium buildings is often in short supply and AT&T could not justify an arrangement that used such space inefficiently. Providing scarce AT&T space to Ameritech when Ameritech has its own space in the same building did not make sense. Finally, from a cost perspective, it was difficult to justify the costs of installing and conditioning space when Ameritech already had space under its control within the same building.

20. In addition to the limited amount of space available in condominium buildings that were already divided between at least two telecommunications carriers (i.e., AT&T and Ameritech), technical constraints govern interconnection to AT&T's network in such locations at the point of interface ("POI"). AT&T's FCC Tariff No. 9 (at revised page 57, Section 2.8.1) provides that "[w]hen access, or an

AT&T enhanced service located in an AT&T central office, is connected to a private line service at the same AT&T central office, the connection will be made if the private line service and the access or the AT&T enhanced service are electrically compatible" (emphasis added). This means that the bit rate (e.g., DS1, DS3) of the service that AT&T provides to the end user on its side of the POI must be the same as the bit rate (i.e., within the same electrical parameters) of the service that the access provider hands off to AT&T from the access provider's side of the POI, or the "hand off" cannot occur. In other words, Ameritech, or any access provider, must hand off a DS1 (electrical) service to AT&T, if the customer has ordered a DS1 (electrical) service from AT&T.

21. This technical requirement, in turn, has had implications for the type of facility (fiber or cable) that can be used to link Ameritech's baseline or coordinated access customer to AT&T's network. Most of AT&T's services -- e.g., ACCUNET® T1.5, ACCUNET T45 -- require an electrical connection at the access POI.<sup>5</sup> The need for an electrical connection means that the access provider must

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<sup>5</sup> AT&T's ACCUNET 155 service uses an optical interface. If an end user customer orders ACCUNET 155 from AT&T, it would be possible for the access provider serving that customer with baseline or coordinated access to connect at the POI using a fiber/optical interface. AT&T ACCUNET 155 service is available in a limited number of POPs.

use metallic cable and terminals to make that connection. However, Ameritech is not precluded by this requirement from offering a fiber-based access service to its end user customers. It is obliged, however, to convert that fiber service with its optical characteristics to an electrical connection so that the service can be connected to AT&T's network at the POI. When Ameritech is serving its access customer with an optical transmission facility, it must convert the signal from an optical signal to an electrical signal before terminating it at the POI.

22. While an access provider must therefore convert a fiber service to an electrical connection in both solely owned (or leased) buildings and in condominium buildings, . in a building solely owned (or leased) by AT&T, Ameritech has no space of its own in which to place such equipment, and so it must be placed in AT&T space in the AT&T POP building. In a condominium building, however, Ameritech has its own space. In light of the more limited supply of space in condominium buildings, it made much greater sense for Ameritech to place its equipment in its own space, rather than requiring AT&T to relinquish some of its space to accommodate a function that Ameritech can perform in its own facilities.

23. Requiring Ameritech to place this equipment in its own space in a condominium building thus was a matter of efficient and equitable space utilization; it did not make

the connection inferior because, in either case, the connection was the same.

24. AT&T's SCPA policy was the product of a changing environment and, as circumstances have evolved, the policy has been subject to reevaluation. For some time, AT&T has recognized that billing for space and power on a per circuit basis, with standard recurring and non-recurring charges, could offer advantages over the space license procedure, including more efficient use of the available floor space in AT&T's POPs. However, AT&T did not have the proper systems to permit such per circuit billing.

25. Over the last few months, AT&T has assessed the feasibility of converting to a per circuit billing arrangement, which would allow access vendors to use the same equipment to terminate total service, baseline, and coordinated access service for both interstate as well as intrastate circuits. Within recent weeks, AT&T has decided to undertake the additional development required to implement a per circuit billing method.

26. In other words, although AT&T believes that its SCPA policy was just and reasonable, AT&T now proposes to modify that policy by eliminating the "split equipment" restriction. Ameritech brought its Complaint to force AT&T to change its SCPA policy; AT&T has changed that policy just as Ameritech demanded in its Complaint. AT&T believes that its current position addresses all of the issues Ameritech has raised in its instant Complaint.

27. Additionally, since Ameritech filed its complaints regarding the SCPA policy with the Illinois and Ohio state regulatory commissions, AT&T has engaged in negotiations with Ameritech with the hope of resolving all outstanding disputes regarding AT&T's SCPA policy. As noted, AT&T has now determined to change its SCPA policy.

28. Under the revised policy, to be embodied in a carrier-to-carrier contractual arrangement, AT&T will allow all access vendors, including Ameritech, to terminate baseline, coordinated access, and total services on shared equipment in AT&T's POPS, whether or not those circuits are classified as interstate or intrastate. Because a mechanized process is not yet in place for assessing charges to Ameritech and other vendors on a transaction basis, AT&T will establish the following interim billing procedure until a mechanized process is developed:

(1) an initial inventory of baseline and coordinated access circuits will be established;

(2) AT&T will apply per port DS0, DS1, DS3 and OC3 charges to the inventory of baseline and coordinated access circuits;

(3) on a periodic basis (e.g., semiannually) the number of baseline and coordinated access circuits will be re-inventoried; and

(4) based on the results of that inventory, monthly recurring charges will be applied on equipment installed prior to March 1995.

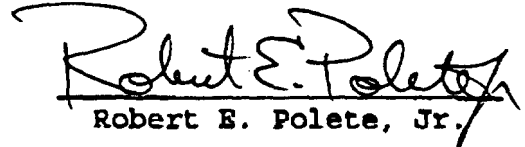
29. Once the mechanized billing system is completed, the billing for baseline and coordinated access circuits will be converted to transaction-based non-recurring and monthly per port charges. However, both under the interim and mechanized billing systems, AT&T will waive non-recurring charges for baseline and coordinated access circuits terminated on equipment installed prior to March, 1995. AT&T is also willing to agree that Ameritech, at its option, may use collocation or cable connections in condominium buildings to link AT&T facilities and Ameritech facilities.

30. Additionally, AT&T is granting access vendors, including Ameritech, the option to terminate any existing SCPA agreements (without penalty) or maintain such agreements until their terms expire. For SCPA agreements that are terminated in the process of installation, AT&T will determine the extent of completion of the particular installation. The unused portion of the contract non-recurring charges will be refunded in the form of credits to future purchases that can be used to pay monthly recurring or future non-recurring charges. For SCPA arrangements that have already been completed, AT&T will not refund the non-recurring charges, since AT&T has already incurred these costs. However, the equipment installed under a SCPA arrangement can be used for the provisioning of any type of access service, provided Ameritech elects to terminate the SCPA contract.

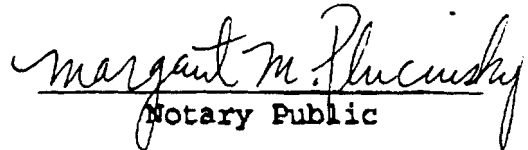


I declare under penalty of perjury that the foregoing  
is true and accurate to the best of my knowledge and belief.

Executed on April 20, 1998

  
Robert E. Polete, Jr.

SUBSCRIBED AND SWORN TO BEFORE ME this 20th day of April  
1998.

  
Notary Public

My Commission Expires:

